



January 26, 2022

House Agriculture, Chesapeake, and Natural Resources Committee
Virginia General Assembly
Richmond, VA 23219

Re: AF&PA Opposition to EPR for Packaging Legislation- HB 647, HB 709, HB 918

The American Forest & Paper Association¹ (AF&PA) appreciates the opportunity to share our concerns with House Bills 647, 709, and 918 on behalf of our members and their employees in Virginia and across the country. In Virginia the forest products industry employs over 27,000 individuals in 109 facilities with an annual payroll of over \$1.6 billion and contributes \$156 million in state and local taxes.

AF&PA must respectfully oppose HB 647, HB 709, and HB 918, which would establish extended producer responsibility (EPR) programs for packaging. EPR has been suggested for products that are perceived as difficult to process, have low recycling rates, or where healthy end markets for their reuse do not exist; but none of these issues apply to paper-based packaging. The paper industry has a demonstrated, measurable record of success in making paper and paper-based packaging more circular and sustainable through market-based approaches.

Paper Recycling Works

Paper-based packaging is natural, renewable, sustainable, highly recovered and recycled, and biodegradable. In 2020, 65.7 percent of all paper consumed in the U.S. was recovered for recycling, and the recovery rate has met or exceeded 63 percent since 2009. In fact, more paper (by weight) is recovered for recycling from municipal solid waste streams than glass, plastic, steel and aluminum combined, according to U.S. EPA (2018 data).

In fact, our industry's recycling rates are so successful that some products are approaching the maximum achievable recycling rate possible. The recycling rate for containerboard (corrugated cardboard) in 2020, for example, was 88.8 percent.² EPR is unlikely to improve the recovery rate, and may undermine already-efficient markets for recovered fiber and chill robust private sector investment in recycling infrastructure.

¹ AF&PA serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recycle resources, generate renewable bioenergy and are committed to continuous improvement through the industry's sustainability initiative — [Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future](#). The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 people. The industry meets a payroll of approximately \$60 billion annually and is among the top 10 manufacturing sector employers in 45 states.

² <https://www.afandpa.org/news/2021/resilient-us-paper-industry-maintains-high-recycling-rate-2020>

Part of the reason for our success is that our industry has an ownership stake in the recycling system. AFPA members own 114 materials recovery facilities and 80 percent of paper mills use some amount of recycled fiber. As a further demonstration of the industry's commitment, between 2019 and 2023, U.S. packaging and pulp producers committed to investing more than \$4.1 billion in new manufacturing capacity specifically designed to use over 7 million additional tons of recovered paper per year to manufacture new products.

EPR Policies Would Have Unintended Consequences for Paper Recycling

EPR policies that create fees or mandates on paper product producers could disrupt efficient and successful paper recycling streams and direct private sector funds away from investment in recycling infrastructure. HB 918, 709, and 647 all require funding to be given to local governments to pay for their collection of readily recyclable materials, but this is a cost-shifting mechanism that does not create added value or end markets for recyclable materials. Recycling rates would not improve simply because another entity is paying for it. And any EPR fees paid by producers would reduce the capital available to support further investment in recycling infrastructure and product innovations.

Advancing a Circular Value Chain

Paper recycling has enjoyed decades of success because of the industry's investments, consumer education, the wide availability of recycling programs, and the efforts of millions of Americans who recycle at home, work, and school every day. The paper products industry is proud to be part of the recycling solution by providing renewable, sustainable, and highly recycled products for consumers.

We respectfully ask policymakers to focus on improving recycling for materials with low recovery rates that contaminate the recycling stream. AF&PA continues to support promoting increased participation in community recycling programs and other best practices, in addition to focusing on hard-to-recycle materials where there may not yet be a well-developed collection infrastructure or good recovery results.

Conclusion

We encourage the Committee to avoid measures that might penalize paper-based packaging. We look forward to continuing our work with the Commonwealth of Virginia. Please feel free to contact Abigail Sztejn, Director, Government Affairs at abigail_sztejn@afandpa.org for further information.